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Kenneth R. Jackson
Vice President
Rates and Regulatory Services

October 20, 2009

Mr. Charles L.A. Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Mr. C. Dukes Scott
Executive Director
South Carolina Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

RE: Adjustment of April 2009, Firm Commodity Benchmark Calculation
For Interruptible Sales Pursuant to Section C of SCE&G's Purchased
Gas Adjustment Tariff Sheet

Docket No. 2007-5-G

{ 2009-5-G

Gentlemen:

By Order No. 2007-595 ("Order"), dated September 6, 2007, the Public Service Commission of South Carolina ("Commission") approved the Purchased Gas Adjustment Tariff ("PGA Tariff") of South Carolina Electric & Gas Company ("SCE&G" or "Company"). Under its PGA Tariff, the Company is authorized to recalculate the firm commodity benchmark related to interruptible gas sales in cases where the average market price of gas supplies has changed within a month such that the Firm Commodity Benchmark plus \$0.02081 per therm is higher than the price quoted for interruptible sales for that month. In the event that SCE&G elects to compute an Alternative Commodity Benchmark for interruptible sales, the Company must provide written notice to the Commission and the South Carolina Office of Regulatory Staff (ORS") within thirty days of adopting the resulting adjustment to prices and volumes.

In May 2009, SCE&G reviewed its gas cost data for April 2009 and determined that it was necessary to recalculate the firm commodity benchmark for interruptible sales. Accordingly, as permitted by its PGA Tariff, SCE&G calculated an Alternative Commodity Benchmark for interruptible sales for April 2009 and used that Alternative Commodity Benchmark plus \$0.02081 per therm in recalculating the Margin Revenue from those sales. Also in accordance with its PGA Tariff, the costs and quantities of gas used in this calculation were excluded from the recalculation of the Firm Commodity Benchmark under Section B of the PGA tariff.

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SCE&G recently reviewed its records and has been unable to locate any documentation evidencing that it provided the Commission and ORS with written notification that the Company had computed an Alternative Commodity Benchmark for interruptible sales that the Company made in April 2009. The purpose of this letter is to provide the Commission and ORS with written notice that SCE&G recalculated the firm commodity benchmark for interruptible sales and computed an Alternative Commodity Benchmark for interruptible sales that the Company made in April 2009.

The information in this letter is provided as a matter of notice and information only. Under the operative tariff provisions, no action by the Commission or ORS is required.

If you have any questions, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Jackson", written in a cursive style.

Kenneth R. Jackson
Vice President
Rates and Regulatory Services

KRJ/cw